

Tiscali: Shareholders' Meeting approves the annual report for 2009

Cagliari, 28 April 2010

The Ordinary Shareholders' Meeting of Tiscali S.p.A., which met today in second call in Cagliari, has approved the financial statements at 31 December 2009, which saw growth in EBITDA and EBIT.

Confirmed the figures of the draft financial statements, approved by the Board of Directors' Meeting on 26 March 2010, as summarised in the following primary results:

- **Consolidated revenues at EUR 290.3 million;**
- **Group EBITDA before provisions at ca EUR 88.2 million, an increase of 2.7% on annual basis, +26% of the 2009 target;**
- **Group EBIT was EUR 11.4, up from 2008;**
- **Group EBIT 4Q09 positive for EUR 6.1 million;**
- **Group Net Profit 4Q09 at EUR 33.5 million;**
- **Italian Operation Net Profit at EUR 16.3 million**

Tiscali Group **revenues** in 2009 amounted to EUR 290.3 million, compared to the EUR 325.1 million recorded in 2008.

Group profitability was up, with the **Gross Operating Result** (Adjusted EBITDA) before provisions amounting to EUR 88.2 million, an increase of 2.7% compared to adjusted EBITDA of EUR 85.9 million in 2008.

In 2009, the **operating result** (EBIT), net of provisions and restructuring costs equal to EUR 10 million, was positive by about EUR 11.4 million, compared to the loss of EUR 14.2 million recorded during 2008.

Net result of the Group for 2009 was negative by EUR 384.8 million, and worse than the net loss of EUR 242.7 million in 2008. This was influenced mainly by the capital losses posted for the disposal of the UK subsidiary and TiNet, about EUR 372.4 million, capital loss coming from the disposal of Tiscali UK, for about EUR 345 million, and including the waiver of intercompany receivables and the reclassification of the reserve for differences on translation.

Tiscali Group results for 2009 include the English subsidiary as a discontinued operation, therefore reflecting the English company in the net results for the period, as well as the associated capital loss on disposal.

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Tiscali Italia S.p.A. closed 2009 with a Gross Operating Result (Adjusted EBITDA) of EUR 88.1 million (31% of revenues), an increase of 16% compared to the EUR 76.3 million (24% of revenues) of 2008. The operating result (EBIT) was positive at EUR 24.7 million compared to the loss of EUR 17.4 million in 2008.

As at 31 December 2009, the number of ADSL customers totalled 570,000, of which 387,000 were direct customers (LLU) and 303,000 were dual play customers, these last growing of 19% YoY.

Investments in 2009, entirely associated with Tiscali Italia S.p.A., were about EUR 40.8 million and concern the extension of the *unbundling* network and the consequent operating investments relating to the connection and activation of new ADSL customers.

At 31 December 2009, the **net financial position** of the Group is negative at EUR 211.2 million (clearly improving with respect to EUR 601.1 million at 31 December 2008, relating solely to operating activities), while the net financial position drawn up according to Consob communication n. DEM/6064293 is equal to EUR 224.4 million at 31st December 2009.

The Company declares, that in compliance with applicable laws and regulations, the Annual Financial Statements – including the annual report as at 31st December 2009, both for the Parent company Tiscali S.p.A. and for the Group and the respective audit reports - is made available to the public at the company's head office and Tiscali's official website, investors' area (www.tiscali.it) and Borsa Italiana.

The minutes of the Annual Shareholders' meeting will be made available in compliance with Italian law.

STATEMENT OF THE APPOINTED MANAGER

I, the undersigned, Luca Scano, manager in charge of drawing up the corporate accounting documents of Tiscali S.p.A, declare – pursuant to paragraph 2, Article 154-bis of the Italian Finance Consolidation Act – that the annual results contained in this press release correspond to the documentary results, books and accounting records of the parent company and to the information provided by the companies included in the consolidation area.

Luca Scano



This press release contains certain forward-looking statements based on current expectations and projections in relation to future events. These forward-looking statements may be affected by known or unknown risks, uncertain events and the assumptions made. This press release also contains unaudited pro forma data. Tiscali does not undertake to publish updates or modify any forward-looking statements, either to provide new information or in response to future events or other circumstances. In light of the aforementioned risks, uncertainties and assumptions, the forward-looking statements contained in this press release may not come to fruition. Any statement relating to past performance or activities should not be considered a guarantee of future performance or of such activities continuing in the future.

Information on Tiscali

Tiscali S.p.A. (Borsa Italiana. Milan: TIS) is one of the leading alternative telecommunications companies in Europe. Tiscali supplies a wide range of services to its customers, both private individuals and companies, namely: internet access through dial-up and ADSL, as well as voice, VoIP, media, and value added services and other technologically advanced products.

As at 31 December 2009, Tiscali had about 704,000 customers in Italy, of which more than 570,000 were ADSL users.

The Tiscali website may be accessed at www.tiscali.it.